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ABSTRACT

The Supplemental Loans for Students (SLS) program provides market-rate loans to postsecondary students. This report presents information on SLS loan volume and default data for the 10 largest SLS lenders from nine guaranty agencies, for fiscal years 1987, 1988, and 1989. Data for both proprietary and nonproprietary schools and for both freshmen and nonfreshmen students are included. Findings show that the nine guaranty agencies' 10 largest lenders loaned a cumulative total of about $2.5 billion--of the $4.8 billion in SLS loans made by all lenders--during the 3-year period. The lenders' loan defaults amounted to $250 million during fiscal years 1987 through 1989. The report also includes a list of nine related General Accounting Office products. (JDD)

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GAO

United States General Accounting Office

Fact Sheet for Congressional Requesters

February 1990

SUPPLEMENTAL STUDENT LOANS

Who Are the Largest Lenders?

HE023422

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GAO/HRD-90-72FS

GAO

United States
General Accounting Office
Washington, D.C. 20548

Human Resources Division

B-237438

February 21, 1990

The Honorable Edward M. Kennedy
Chairman, Committee on Labor
and Human Resources
United States Senate

The Honorable Pat Williams
Chairman, Subcommittee on Postsecondary
Education
Committee on Education and Labor
House of Representatives

This report responds to your request for information on lenders participating in the Supplemental Loans for Students (SLS) program. This program provides market-rate loans to postsecondary students in addition to, or in lieu of, other financial aid, such as Stafford loans (formerly called guaranteed student loans) and Pell grants. Specifically, you requested SLS loan volume and default data for the 10 largest SLS lenders from each of the nine guaranty agencies[1] we reported on previously.[2] You asked us to provide, for each lender, data on the volume of loans made to students attending proprietary (trade) schools and other postsecondary education institutions, as well as information on the extent of borrowing by freshmen as compared with students in their second or subsequent years of schooling. In addition, you wanted to know the amount of SLS defaulted loans.

On December 14 and 21, 1989, we briefed your offices on the preliminary results of our analysis. This fact sheet summarizes the information provided.

Background

Loans under the SLS program are made by lenders, such as banks, credit unions, or savings and loan associations. Before students can receive an SLS loan, their schools must first determine their eligibility for a Stafford loan or Pell grant or both. These programs have more stringent eligibility requirements than the SLS program. If students are eligible for aid from either or both of these programs, they should first receive that

[1]There are 55 guaranty agencies that act as "middlemen" between the Department of Education and the lenders. As such, they insure the SLS loans made by the lenders to students. The guaranty agencies are in turn reinsured by the Department.

[2]Supplemental Student Loans: Who Borrows and Who Defaults (GAO/HRD-90-33FS, Oct. 17, 1989).

assistance, which may reduce the amount they can borrow under the SLS program.

Under the SLS program, graduate and certain undergraduate students—generally those responsible for their own financial support—may borrow up to $4,000 per year, to a maximum of $20,000. Borrowers are eligible for SLS loans regardless of their income or assets, in comparison with Stafford loans and Pell grants, which are based on a borrower's financial needs and resources.

The Omnibus Budget Reconciliation Act of 1989 (Public Law 101-239) made several changes to the SLS loan program that generally became effective on January 1, 1990. For example, beginning on January 1, 1990, no SLS loans can be made to undergraduate students (except those already enrolled and receiving loans on the date of enactment of the act) attending schools that have default rates—as determined by the Department of Education—in excess of 30 percent.

SLS loans have variable interest rates, adjusted annually to take into account changes in Department of Treasury borrowing rates. For the 1989-90 award year, the interest rate was 12 percent. Repayment of these loans must generally begin within 60 days of the last loan disbursement for each year a loan is received.

The annual volume of new SLS loans was $711 million in fiscal year 1987, $2 billion in fiscal year 1988, and $2.1 billion in fiscal year 1989, resulting in a total of $4.8 billion during the 3 years.

Objective, Scope, and Methodology

In discussions with your offices we agreed to obtain the requested information for fiscal years 1987, 1988, and 1989 for the 10 largest SLS lenders from the nine guaranty agencies that we previously reported on in October 1989. Eight of the nine agencies provided actual data for each fiscal year. The California Student Aid Commission, however, provided actual data through June 30, 1989, and estimated data for the remainder of fiscal year 1989. We did not verify the accuracy of the data submitted by the guaranty agencies.

Defaults are listed by the lender originating the loan even though that lender may not have held the loan at the time of default. The lender may have sold the loan to another financial institution prior to default. In addition, the lenders holding the loans may have exercised proper care in servicing them prior to default. As such, loans that went into default

do not indicate that lenders failed to adhere to any statutory or regulatory provision.

Seven agencies provided data on default claims they paid to the lenders during each of the 3 fiscal years listed by the year the claim was paid, rather than the year the loan was made. The Colorado and Nebraska agencies, however, provided default data based on the year that the loans were guaranteed. For example, the 1988 default data for these two agencies represent the loans they guaranteed in 1988, which have subsequently defaulted.

Our review of the data collected showed that six lenders (Bank of Horton, Citibank, First America Savings Bank, First Independent Trust Company, Mid-America Higher Education Loan Program, and Union Bank and Trust Company) with the same city and state address had their SLS loans guaranteed by more than one agency. For example, SLS loans made by the First Independent Trust Company were guaranteed by the California, Texas, and Higher Education Assistance Foundation agencies. We combined the loan volumes and default statistics of these lenders for summary purposes (see tables 1 and 2) in determining which lenders had the largest loan volumes and defaults.

Loan Volumes

The nine guaranty agencies' 10 largest lenders made a cumulative total of about $2.5 billion—of the $4.8 billion in SLS loans made by all lenders—during the 3-year period. The lender with the largest loan volume ($305 million) was the First Independent Trust Company, and the Dauphin Deposit Bank and Trust Company had the smallest volume ($429,368).

Five lenders accounted for about 40 percent ($1 billion) of the SLS loans made by the 10 largest lenders for the nine agencies. (See table 1.)

Table 1: Five Largest Originating Lenders of SLS Loans (Fiscal Years 1987-89)

Lender	Loan volume
First Independent Trust Company	$304,678,302
Bank of Horton	237,941,064
Norwest Bank of South Dakota	167,079,173
Citibank	163,928,225
Bank of America	126,345,161
Total	**$999,971,925**

Appendixes I and II present the amount of loans made by the 10 largest lenders for the nine guaranty agencies to students attending proprietary and nonproprietary schools and to freshmen and nonfreshmen students, respectively.

Default Volumes

The nine agencies' 10 largest SLS lenders had a cumulative total of about $250 million in loan defaults during fiscal years 1987 through 1989. The five lenders with the largest amount of defaulted loans had an aggregate of almost $150 million in defaults, about 60 percent of the total, over the 3-year period. These lenders are listed in table 2.

Table 2: Five Largest Originating Lenders With the Largest Amount of Defaulted SLS Loans (Fiscal Years 1987-89)

Lenders	Default volume
Bank of Horton	$66,829,820
First Independent Trust Company	27,924,764
The Chase Manhattan Bank	21,476,766
Trans World Insurance Company	18,023,800
Citibank	15,547,599
Total	**$149,802,749**

Appendixes III and IV show the amount of defaulted SLS loans for the nine guaranty agencies' largest 10 lenders. The information is presented for students who attended proprietary and nonproprietary schools and those who were freshmen and nonfreshmen students, respectively.

As agreed with your offices, we did not obtain written comments on this report from the Department of Education or other interested parties. We are sending copies of this report to other congressional committees, the Department of Education, and other interested parties. Should you wish to discuss its contents, please call me on (202) 275-1793. Major contributors to this report are listed in appendix V.

Franklin Frazier

Franklin Frazier
Director, Education
and Employment Issues

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SLS Supplemental Loans for Students

Nine Guaranty Agencies' 10 Largest Originators of SLS Loans: Loans Made to Students Attending Proprietary and Nonproprietary Schools (Fiscal Years 1987-1989)

Table I.1: California Student Aid Commission

Lender	Kind of school		Totals
	Proprietary	Nonproprietary	
Bank of America Pasadena, CA	$82,458,324	$43,886,837	$126,345,161
First Independent Trust Company Carmichael, CA	73,258,042	24,691,752	97,949,794
Citibank Pittsford, NY	43,279,722	40,216,091	83,495,813
Glendale Federal Savings Glendale, CA	51,949,202	16,973,337	68,922,539
Great Western Bank Northridge, CA	11,379,941	50,486,095	61,866,036
Marine Midland Delaware Wilmington, DE	13,494,820	12,075,302	25,570,122
Educaid Sacramento, CA	11,409,496	9,401,477	20,810,973
Imperial Savings & Loan San Diego, CA	8,853,194	2,466,137	11,319,331
First Interstate Bank Pomona, CA	5,030,978	3,221,180	8,252,158
Ventura County National Bank Camarillo, CA	5,057,456	1,834,161	6,891,617

Table I.2: Colorado Student Loan Program

Lender	Kind of school		Totals
	Proprietary	Nonproprietary	
First America Savings Bank Longmont, CO	$20,807,553	$3,528,847	$24,336,400
Denver National Bank Denver, CO	10,400,392	2,903,164	13,303,556
Chemical Bank Boulder, CO	8,128,011	4,433,723	12,561,734
First Interstate Bank of Denver Denver, CO	3,792,375	2,142,055	5,934,430
United Bank of Denver Denver, CO	528,616	4,666,559	5,195,175
First National Bank of Southeast Denver Denver, CO	2,595,770	2,336,781	4,932,551
Union Bank & Trust Company Denver, CO	3,537,601	21,600	3,559,201
United Bank of Colorado Springs Colorado Springs, CO	3,153,901	196,060	3,349,961
First National Bank of Boulder Boulder, CO	1,419,315	1,620,548	3,039,863
Colorado National Bank of Denver Denver, CO	596,408	2,400,509	2,996,917

Table I.3: Higher Education Assistance Foundation

Lender	Kind of School		Totals
	Proprietary	Nonproprietary	
First Independent Trust Company Carmichael, CA	$193,702,033	$5,692,049	$199,394,082
Norwest Bank of South Dakota Sioux Falls, SD	7,208,394	159,870,779	167,079,173
Bank of Horton Horton, KS	135,542,576	3,343,765	138,886,341
Citibank Rochester, NY	98,389,942	27,377,846	125,767,788
Trans World Insurance Company Overland Park, KS	65,508,049	26,072,293	91,580,342
Bank IV of Wichita Wichita, KS	49,153,943	25,112,807	74,266,750
Boatmen's First National Bank Kansas City, MO	56,924,535	10,156,058	67,080,593
Pennbank Student Loan Center Meadville, PA	57,365,815	1,462,024	58,827,839
The Chase Manhattan Bank New Hyde Park, NY	49,048,044	4,235,790	53,283,834
First America Savings Bank Longmont, CO	43,953,506	2,452,843	46,406,349

Table I.4: Massachusetts Higher Education Assistance Corporation

Lender	Kind of school		Totals
	Proprietary	Nonproprietary	
Bank of New England-Worcester Worcester, MA	$25,237,259	$3,884,533	$29,121,792
Bay Bank-Norfolk Dedham, MA	141,933	12,998,465	13,140,398
Pennsylvania Higher Education Assistance Agency-Law Unit Camp Hill, PA	0	12,539,480	12,539,480
Harvard University Cambridge, MA	0	9,649,749	9,649,749
Key Bank of Maine Augusta, ME	4,000	7,076,313	7,080,313
First National Bank of Boston Boston, MA	326,342	4,596,955	4,923,297
Bay Bank-Middlesex Dedham, MA	113,284	2,443,113	2,556,397
Shawmut Bank Cambridge, MA	195,503	2,142,250	2,337,753
Bay Bank-Harvard Trust Dedham, MA	33,405	2,208,906	2,242,311
Merchants National Bank Leominster, MA	466,041	1,598,000	2,064,041

Table I.5: Nebraska Student Loan Program

Lender	Kind of school		Totals
	Proprietary	Nonproprietary	
Bank of Horton Horton, KS	$52,894,671	$4,052,524	$56,947,195
Nebraska Higher Education Loan Program Lincoln, NE	23,904,449	14,310,243	38,214,692
Union Bank & Trust Company Lincoln, NE	14,943,772	4,953,539	19,897,311
Mid-America Higher Education Loan Program Longmont, CO	9,678,118	2,430,784	12,108,902
Packers Bank & Trust Omaha, NE	2,608,957	1,613,383	4,222,340
Farmers & Merchants Bank Colby, KS	2,688,028	7,500	2,695,528
Mid-Continent Federal Savings El Dorado, KS	2,135,369	29,300	2,164,669
Boatmen's First National Bank Lawrence, KS	672,872	719,033	1,391,905
Columbia Savings Association Lincoln, NE	967,298	302,033	1,269,331
Union Bank & Trust Company Denver, CO	1,076,565	0	1,076,565

Table I.6: Ohio Student Loan Commission

Lender	Kind of school		Totals
	Proprietary	Nonproprietary	
Bank One of Columbus Columbus, OH	$6,458,154	$7,580,481	$14,038,635
Bank One of Cleveland Cleveland, OH	10,430,275	1,351,433	11,781,708
Chemical Bank Columbus, OH	8,540,970	138,590	8,679,560
Ameritrust Harrisburg, PA	4,719,420	3,409,769	8,129,189
Bank One of Akron Akron, OH	855,496	2,911,480	3,766,976
Bank One of Dayton Dayton, OH	1,378,392	1,666,477	3,044,869
State Home Savings Bowling Green, OH	38,311	2,923,829	2,962,140
Fifth Third Bank Cincinnati, OH	1,820,019	1,011,933	2,831,952
Bank One of Youngstown Youngstown, OH	383,767	1,031,690	1,415,457
Huntington Bank Lawrence, KS	600,969	805,191	1,406,160

Table I.7: Pennsylvania Higher Education Assistance Agency

Lender	Kind of school		Totals
	Proprietary	Nonproprietary	
Philadelphia Savings Fund Society Philadelphia, PA	$37,858,670	$3,321,581	$41,180,251
Mellon Bank New Town, PA	0	32,362,839	32,362,839
PNC Education Loan Center Pittsburgh, PA	707,612	4,422,231	5,129,843
Pennsylvania Higher Education Assistance Agency Higher Education Loan Program Harrisburg, PA	123,153	3,335,656	3,458,809
Commonwealth National Bank Pittsburgh, PA	405,674	1,654,009	2,059,683
Meridian Bank Reading, PA	467,489	1,129,036	1,596,525
Fidelity Bank Upper Darby, PA	305,716	1,061,468	1,367,184
Podiatry School Program Harrisburg, PA	0	579,442	579,442
Philadelphia National Bank Philadelphia, PA	109,074	383,521	492,595
Dauphin Deposit Bank and Trust Company Harrisburg, PA	176,836	252,532	429,368

Table I.8: Texas Guaranteed Student Loan Corporation

Lender	Kind of school		Totals
	Proprietary	Nonproprietary	
University Federal Savings Association Austin, TX	$52,963,132	$13,824,278	$66,787,410
Windsor Savings Association Austin, TX	33,075,925	774,967	33,850,892
Southside State Bank Tyler, TX	20,249,119	2,874,102	23,123,221
Bank One of Texas Fort Worth, TX	1,356,019	12,688,832	14,044,851
Bankers Credit Corporation Waco, TX	10,703,132	1,504,986	12,208,118
Bank of Horton Horton, KS	10,596,711	20,796	10,617,507
Village Savings Bank Houston, TX	9,736,763	307,353	10,044,116
Texas Higher Education Coordinating Board Austin, TX	0	9,287,633	9,287,633
El Paso Savings Association Austin, TX	7,365,202	96,089	7,461,291
First Independent Trust Company Carmichael, CA	7,244,335	90,091	7,334,426

Table I.9: United Student Aid Funds

Lender	Kind of school		Totals
	Proprietary	Nonproprietary	
Indiana National Bank Indianapolis, IN	$49,074,876	$40,262,318	$89,337,194
Chase Education Finance Center Tampa, FL	5,701,493	41,240,148	46,941,641
Citibank Student Loan Center Rochester, NY	11,405,337	26,755,100	38,160,437
Bank of Horton Horton, KS	29,877,383	1,612,638	31,490,021
Bank One-Merrillville Indianapolis, IN	897,678	22,055,136	22,952,814
Mid-America Higher Education Loan Program Longmont, CO	11,697,512	6,497,207	18,194,719
Signet Bank of Maryland Baltimore, MD	6,512,938	9,920,267	16,433,205
Meritor-Philadelphia Savings Fund Society-Education Philadelphia, PA	10,322,329	5,820,583	16,142,912
Merchants National Bank & Trust Co. Indianapolis, IN	8,049,987	6,125,867	14,175,854
Florida Federal Savings & Loan St. Petersburg, FL	2,945,406	10,494,294	13,439,700

Nine Guaranty Agencies' 10 Largest Originators of SLS Loans: Loans Made to Freshmen and Nonfreshmen Students (Fiscal Years 1987-1989)

Table II.1: California Student Aid Commission

Lender	Kind of student		Totals
	Freshmen	Nonfreshmen	
Bank of America Pasadena, CA	$92,249,285	$34,095,876	$126,345,161
First Independent Trust Company Carmichael, CA	74,481,047	23,468,747	97,949,794
Citibank Pittsford, NY	51,625,213	31,870,600	83,495,813
Glendale Federal Savings Glendale, CA	54,697,229	14,225,310	68,922,539
Great Western Bank Northridge, CA	16,297,509	45,568,527	61,866,036
Marine Midland Delaware Wilmington, DE	15,429,036	10,141,086	25,570,122
Educaid Sacramento, CA	13,897,573	6,913,400	20,810,973
Imperial Savings & Loan San Diego, CA	10,561,376	757,955	11,319,331
First Interstate Bank Pomona, CA	5,407,733	2,844,425	8,252,158
Ventura County National Bank Camarillo, CA	6,343,574	548,043	6,891,617

Table II.2: Colorado Student Loan Program

Lender	Kind of student		Totals
	Freshmen	Nonfreshmen	
First America Savings Bank Longmont, CO	$19,198,868	$5,137,532	$24,336,400
Denver National Bank Denver, CO	7,742,181	5,561,375	13,303,556
Chemical Bank Boulder, CO	7,308,539	5,253,195	12,561,734
First Interstate Bank of Denver Denver, CO	4,108,794	1,825,636	5,934,430
United Bank of Denver Denver, CO	862,104	4,333,071	5,195,175
First National Bank of Southeast Denver Denver, CO	2,834,361	2,098,190	4,932,551
Union Bank & Trust Company Denver, CO	2,317,567	1,241,634	3,559,201
United Bank of Colorado Springs Colorado Springs, CO	3,063,602	286,359	3,349,961
First National Bank of Boulder Boulder, CO	1,348,110	1,691,753	3,039,863
Colorado National Bank of Denver Denver, CO	1,044,539	1,952,378	2,996,917

Table II.3: Higher Education Assistance Foundation

Lender	Kind of student		Totals
	Freshmen	Nonfreshmen	
First Independent Trust Company Carmichael, CA	$172,858,659	$26,535,423	$199,394,082
Norwest Bank of South Dakota Sioux Falls, SD	10,944,433	156,134,740	167,079,173
Bank of Horton Horton, KS	131,275,445	7,610,896	138,886,341
Citibank Rochester, NY	97,926,383	27,841,405	125,767,788
Trans World Insurance Company Overland Park, KS	64,124,128	27,456,214	91,580,342
Bank IV of Wichita Wichita, KS	54,280,785	19,985,965	74,266,750
Boatmen's First National Bank Kansas City, MO	54,368,599	12,711,994	67,080,593
Pennbank Student Loan Center Meadville, PA	53,720,102	5,107,737	58,827,839
The Chase Manhattan Bank New Hyde Park, NY	42,493,844	10,789,990	53,283,834
First America Savings Bank Longmont, CO	37,857,466	8,548,883	46,406,349

Table II.4: Massachusetts Higher Education Assistance Corporation

Lender	Kind of student		Totals
	Freshmen	Nonfreshmen	
Bank of New England-Worcester Worcester, MA	$25,714,269	$3,407,523	$29,121,792
Bay Bank-Norfolk Dedham, MA	548,755	12,591,643	13,140,398
Pennsylvania Higher Education Assistance Agency-Law Unit Camp Hill, PA	0	12,539,480	12,539,480
Harvard University Cambridge, MA	4,000	9,645,749	9,649,749
Key Bank of Maine Augusta, ME	12,000	7,068,313	7,080,313
First National Bank of Boston Boston, MA	1,261,009	3,662,288	4,923,297
Bay Bank-Middlesex Dedham, MA	328,713	2,227,684	2,556,397
Shawmut Bank Cambridge, MA	526,736	1,811,017	2,337,753
Bay Bank-Harvard Trust Dedham, MA	98,445	2,143,866	2,242,311
Merchants National Bank Leominster, MA	492,141	1,571,900	2,064,041

Table II.5: Nebraska Student Loan Program

Lender	Kind of student		Totals
	Freshmen	Nonfreshmen	
Bank of Horton Horton, KS	$53,618,865	$3,328,330	$56,947,195
Nebraska Higher Education Loan Program Lincoln, NE	32,109,479	6,105,213	38,214,692
Union Bank & Trust Company Lincoln, NE	17,101,136	2,796,175	19,897,311
Mid-America Higher Education Loan Program Longmont, CO	10,950,834	1,158,068	12,108,902
Packers Bank & Trust Omaha, NE	3,926,437	295,903	4,222,340
Farmers & Merchants Bank Colby, KS	2,683,528	12,000	2,695,528
Mid-Continent Federal Savings El Dorado, KS	2,131,202	33,467	2,164,669
Boatmen's First National Bank Lawrence, KS	1,219,577	172,328	1,391,905
Columbia Savings Association Lincoln, NE	1,153,118	116,213	1,269,331
Union Bank & Trust Company Denver, CO	588,900	487,665	1,076,565

Table II.6: Ohio Student Loan Commission

Lender	Kind of student		Totals
	Freshmen	Nonfreshmen	
Bank One of Columbus Columbus, OH	$7,634,768	$6,403,867	$14,038,635
Bank One of Cleveland Cleveland, OH	10,074,116	1,707,592	11,781,708
Chemical Bank Columbus, OH	8,249,357	430,203	8,679,560
Ameritrust Harrisburg, PA	5,609,490	2,519,699	8,129,189
Bank One of Akron Akron, OH	985,834	2,781,142	3,766,976
Bank One of Dayton Dayton, OH	1,716,247	1,328,622	3,044,869
State Home Savings Bowling Green, OH	528,200	2,433,940	2,962,140
Fifth Third Bank Cincinnati, OH	2,093,870	738,082	2,831,952
Bank One of Youngstown Youngstown, OH	588,637	826,820	1,415,457
Huntington Bank Lawrence, KS	744,993	661,167	1,406,160

Table II.7: Pennsylvania Higher Education Assistance Agency

Lender	Kind of student		Totals
	Freshmen	Nonfreshmen	
Philadelphia Savings Fund Society Philadelphia, PA	$37,140,048	$4,040,203	$41,180,251
Mellon Bank New Town, PA	0	32,362,839	32,362,839
PNC Education Loan Center Pittsburgh, PA	941,256	4,188,587	5,129,843
Pennsylvania Higher Education Assistance Agency Higher Education Loan Program Harrisburg, PA	187,726	3,271,083	3,458,809
Commonwealth National Bank Pittsburgh, PA	438,658	1,621,025	2,059,683
Meridian Bank Reading, PA	528,126	1,068,399	1,596,525
Fidelity Bank Upper Darby, PA	338,676	1,028,508	1,367,184
Podiatry School Program Harrisburg, PA	0	579,442	579,442
Philadelphia National Bank Philadelphia, PA	121,364	371,231	492,595
Dauphin Deposit Bank and Trust Company Harrisburg, PA	147,633	281,735	429,368

Table II.8: Texas Guaranteed Student Loan Corporation

Lender	Kind of student		Totals
	Freshmen	Nonfreshmen	
University Federal Savings Association Austin, TX	$51,420,480	$15,366,930	$66,787,410
Windsor Savings Association Austin, TX	32,186,662	1,664,230	33,850,892
Southside State Bank Tyler, TX	20,540,262	2,582,959	23,123,221
Bank One of Texas Fort Worth, TX	3,933,291	10,111,560	14,044,851
Bankers Credit Corporation Waco, TX	10,696,204	1,511,914	12,208,118
Bank of Horton Horton, KS	10,095,819	521,688	10,617,507
Village Savings Bank Houston, TX	9,290,736	753,380	10,044,116
Texas Higher Education Coordinating Board Austin, TX	646,501	8,641,132	9,287,633
El Paso Savings Association Austin, TX	7,124,476	336,815	7,461,291
First Independent Trust Company Carmichael, CA	6,431,628	902,798	7,334,426

Table II.9: United Student Aid Funds

Lender	Kind of student		Totals
	Freshmen	Nonfreshmen	
Indiana National Bank Indianapolis, IN	$45,844,693	$43,492,501	$89,337,194
Chase Education Finance Center Tampa, FL	13,116,085	33,825,556	46,941,641
Citibank Student Loan Center Rochester, NY	16,636,722	21,523,715	38,160,437
Bank of Horton Horton, KS	26,308,690	5,181,331	31,490,021
Bank One-Merrillville Indianapolis, IN	1,046,283	21,906,531	22,952,814
Mid-America Higher Education Loan Program Longmont, CO	10,270,590	7,924,129	18,194,719
Signet Bank of Maryland Baltimore, MD	8,583,908	7,849,297	16,433,205
Meritor-Philadelphia Savings Fund Society-Education Philadelphia, PA	10,930,248	5,212,664	16,142,912
Merchants National Bank & Trust Co. Indianapolis, IN	7,352,284	6,823,570	14,175,854
Florida Federal Savings & Loan St. Petersburg, FL	4,389,815	9,049,885	13,439,700

Nine Guaranty Agencies' 10 Largest Originators of SLS Loans: Defaults From Students Attending Proprietary and Nonproprietary Schools (Fiscal Years 1987-1989)

Table III.1: California Student Aid Commission

Lender	Kind of school		Totals
	Proprietary	Nonproprietary	
First Independent Trust Company Carmichael, CA	$15,712,100	$4,597,577	$20,309,677
Glendale Federal Savings Glendale, CA	3,806,438	505,473	4,311,911
Great Western Bank Northridge, CA	769,090	1,830,889	2,599,979
Citibank Pittsford, NY	1,804,050	535,595	2,339,645
Bank of America Pasadena, CA	449,325	1,242,211	1,691,536
Educaid Sacramento, CA	377,628	38,852	416,480
Marine Midland Delaware Wilmington, DE	334,825	56,434	391,259
Ventura County National Bank Camarillo, CA	9,943	0	9,943
Imperial Savings & Loan San Diego, CA	0	0	0
First Interstate Bank Pomona, CA	0	0	0

Table III.2: Colorado Student Loan Program

Lender	Kind of school		Totals
	Proprietary	Nonproprietary	
First America Savings Bank Longmont, CO	$671,675	$42,860	$714,535
Denver National Bank Denver, CO	651,328	48,269	699,597
First National Bank of Southeast Denver Denver, CO	119,161	104,036	223,197
Chemical Bank Boulder, CO	126,296	18,148	144,444
Colorado National Bank of Denver Denver, CO	48,436	59,500	107,936
Union Bank & Trust Company Denver, CO	75,445	0	75,445
United Bank of Denver Denver, CO	8,200	34,264	42,464
United Bank of Colorado Springs Colorado Springs, CO	0	4,000	4,000
First National Bank of Boulder Boulder, CO	1,235	0	1,235
First Interstate Bank of Denver Denver, CO	0	0	0

Table III.3: Higher Education Assistance Foundation

Lender	Kind of school		Totals
	Proprietary	Nonproprietary	
Bank of Horton Horton, KS	$62,729,432	$427,041	$63,156,473
The Chase Manhattan Bank New Hyde Park, NY	21,052,206	424,560	21,476,766
Trans World Insurance Company Overland Park, KS	17,015,610	1,008,190	18,023,800
Citibank Rochester, NY	12,382,515	2,488,875	14,871,390
Pennbank Student Loan Center Meadville, PA	14,578,244	136,217	14,714,461
Bank IV of Wichita Wichita, KS	8,634,249	1,798,717	10,432,966
First Independent Trust Company Carmichael, CA	6,698,450	427,719	7,126,169
First America Savings Bank Longmont, CO	6,781,765	86,096	6,867,861
Boatmen's First National Bank Kansas City, MO	6,597,595	15,867	6,613,462
Norwest Bank of South Dakota Sioux Falls, SD	996,900	3,075,845	4,072,745

Table III.4: Massachusetts Higher Education Assistance Corporation

Lender	Kind of school		Totals
	Proprietary	Nonproprietary	
Bank of New England-Worcester Worcester, MA	$223,797	$158,072	$381,869
Merchants National Bank Leominster, MA	9,716	177,616	187,332
Harvard University Cambridge, MA	0	125,086	125,086
First National Bank of Boston Boston, MA	10,788	37,051	47,839
Bay Bank-Norfolk Dedham, MA	0	44,958	44,958
Bay Bank-Harvard Trust Dedham, MA	0	31,940	31,940
Shawmut Bank Cambridge, MA	0	9,084	9,084
Bay Bank-Middlesex Dedham, MA	0	6,697	6,697
Pennsylvania Higher Education Assistance Agency-Law Unit Camp Hill, PA	0	0	0
Key Bank of Maine Augusta, ME	0	0	0

Table III.5: Nebraska Student Loan Program

Lender	Kind of school		Totals
	Proprietary	Nonproprietary	
Nebraska Higher Education Loan Program Lincoln, NE	$3,476,130	$2,067,685	$5,543,815
Bank of Horton Horton, KS	1,686,849	457,083	2,143,932
Union Bank & Trust Company Lincoln, NE	750,291	625,160	1,375,451
Packers Bank & Trust Omaha, NE	40,367	266,550	306,917
Farmers & Merchants Bank Colby, KS	226,949	0	226,949
Union Bank & Trust Company Denver, CO	71,854	0	71,854
Columbia Savings Association Lincoln, NE	40,415	20,982	61,397
Mid-Continent Federal Savings El Dorado, KS	21,095	2,500	23,595
Mid-America Higher Education Loan Program Longmont, CO	23,415	0	23,415
Boatmen's First National Bank Lawrence, KS	0	0	0

Table III.6 Ohio Student Loan Commission

Lender	Kind of school		Totals
	Proprietary	Nonproprietary	
Ameritrust Harrisburg, PA	$1,137,754	$277,974	$1,415,728
Bank One of Columbus Columbus, OH	412,996	360,053	773,049
Bank One of Cleveland Cleveland, OH	274,936	11,025	285,961
Chemical Bank Columbus, OH	111,412	0	111,412
Bank One of Akron Akron, OH	42,681	48,208	90,889
Huntington Bank Lawrence, KS	61,984	0	61,984
Bank One of Dayton Dayton, OH	49,231	5,183	54,414
Fifth Third Bank Cincinnati, OH	29,712	7,428	37,140
State Home Savings Bowling Green, OH	2,732	24,728	27,460
Bank One of Youngstown Youngstown, OH	2,282	3,745	6,027

Table III.7: Pennsylvania Higher Education Assistance Agency

Lender	Kind of school		Totals
	Proprietary	Nonproprietary	
Pennsylvania Higher Education Assistance Agency Higher Education Loan Program Harrisburg, PA	$1,635,746	$113,415	$1,749,161
PNC Education Loan Center Pittsburgh, PA	21,263	334,578	355,841
Philadelphia Savings Fund Society Philadelphia, PA	120,448	54,463	174,911
Fidelity Bank Upper Darby, PA	7,214	125,904	133,118
Commonwealth National Bank Pittsburgh, PA	10,488	45,715	56,203
Meridian Bank Reading, PA	2,434	16,686	19,120
Philadelphia National Bank Philadelphia, PA	1,793	5,794	7,587
Dauphin Deposit Bank and Trust Company Harrisburg, PA	0	3,333	3,333
Mellon Bank New Town, PA	0	0	0
Podiatry School Program Harrisburg, PA	0	0	0

Table III.8: Texas Guaranteed Student Loan Corporation

Lender	Kind of school		Totals
	Proprietary	Nonproprietary	
Southside State Bank Tyler, TX	$4,687,135	$280,684	$4,967,819
University Federal Savings Association Austin, TX	4,289,969	416,416	4,706,385
Windsor Savings Association Austin, TX	1,050,995	35,003	1,085,998
Bank One of Texas Fort Worth, TX	246,820	471,721	718,541
First Independent Trust Company Carmichael, CA	487,918	1,000	488,918
Bankers Credit Corporation Waco, TX	33,252	6,064	39,316
Texas Higher Education Coordinating Board Austin, TX	0	13,948	13,948
Village Savings Bank Houston, TX	0	4,000	4,000
Bank of Horton Horton, KS	0	0	0
El Paso Savings Association Austin, TX	0	0	0

Table III.9: United Student Aid Funds

Lender	Kind of school		Totals
	Proprietary	Nonproprietary	
Indiana National Bank Indianapolis, IN	$7,493,079	$2,957,397	$10,450,476
Chase Education Finance Center Tampa, FL	1,146,980	1,148,119	2,295,099
Merchants National Bank & Trust Co. Indianapolis, IN	1,185,096	526,447	1,711,543
Bank of Horton Horton, KS	1,492,158	37,257	1,529,415
Meritor-Philadelphia Savings Fund Society-Education Philadelphia, PA	1,358,384	129,690	1,488,074
Signet Bank of Maryland Baltimore, MD	714,265	403,451	1,117,716
Florida Federal Savings & Loan St. Petersburg, FL	377,284	384,552	761,836
Citibank Student Loan Center Rochester, NY	453,094	223,115	676,209
Mid-America Higher Education Loan Program Longmont, CO	407,470	137,657	545,127
Bank One-Merrillville Indianapolis, IN	31,829	90,085	121,914

Nine Guaranty Agencies' 10 Largest Originators of SLS Loans: Defaults From Freshmen and Nonfreshmen Students Fiscal Years 1987-1989)

Table IV.1: California Student Aid Commission

Lender	Kind of student		Totals
	Freshmen	Nonfreshmen	
First Independent Trust Company Carmichael, CA	$16,155,939	$4,153,738	$20,309,677
Glendale Federal Savings Glendale, CA	3,992,935	318,976	4,311,911
Great Western Bank Northridge, CA	963,577	1,636,402	2,599,979
Citibank Pittsford, NY	2,066,598	273,047	2,339,645
Bank of America Pasadena, CA	1,270,531	421,005	1,691,536
Educaid Sacramento, CA	370,277	46,203	416,480
Marine Midland Delaware Wilmington, DE	342,419	48,840	391,259
Ventura County National Bank Camarillo, CA	9,943	0	9,943
Imperial Savings & Loan San Diego, CA	0	0	0
First Interstate Bank Pomona, CA	0	0	0

Table IV.2: Colorado Student Loan Program

Lender	Kind of student		Totals
	Freshmen	Nonfreshmen	
First America Savings Bank Longmont, CO	$620,346	$94,189	$714,535
Denver National Bank Denver, CO	541,233	158,364	699,597
First National Bank of Southeast Denver Denver, CO	138,770	84,427	223,197
Chemical Bank Boulder, CO	108,661	35,783	144,444
Colorado National Bank of Denver Denver, CO	83,914	24,022	107,936
Union Bank & Trust Company Denver, CO	52,639	22,806	75,445
United Bank of Denver Denver, CO	13,896	28,568	42,464
United Bank of Colorado Springs Colorado Springs, CO	0	4,000	4,000
First National Bank of Boulder Boulder, CO	1,235	0	1,235
First Interstate Bank of Denver Denver, CO	0	0	0

Table IV.3: Higher Education Assistance Foundation

Lender	Kind of student		Totals
	Freshmen	Nonfreshmen	
Bank of Horton Horton, KS	$61,439,369	$1,717,104	$63,156,473
The Chase Manhattan Bank New Hyde Park, NY	16,935,081	4,541,685	21,476,766
Trans World Insurance Company Overland Park, KS	16,987,610	1,036,190	18,023,800
Citibank Rochester, NY	12,050,710	2,820,680	14,871,390
Pennbank Student Loan Center Meadville, PA	13,744,499	969,962	14,714,461
Bank IV of Wichita Wichita, KS	9,812,960	620,006	10,432,966
First Independent Trust Company Carmichael, CA	5,965,948	1,160,221	7,126,169
First America Savings Bank Longmont, CO	5,708,009	1,159,852	6,867,861
Boatmen's First National Bank Kansas City, MO	6,460,362	153,100	6,613,462
Norwest Bank of South Dakota Sioux Falls, SD	1,183,893	2,888,852	4,072,745

Table IV.4: Massachusetts Higher Education Assistance Corporation

Lender	Kind of student		Totals
	Freshmen	Nonfreshmen	
Bank of New England-Worcester Worcester, MA	$221,007	$160,862	$381,869
Merchants National Bank Leominster, MA	10,209	177,123	187,332
Harvard University Cambridge, MA	0	125,086	125,086
First National Bank of Boston Boston, MA	28,956	18,883	47,839
Bay Bank-Norfolk Dedham, MA	0	44,958	44,958
Bay Bank-Harvard Trust Dedham, MA	0	31,940	31,940
Shawmut Bank Cambridge, MA	2,552	6,532	9,084
Bay Bank-Middlesex Dedham, MA	0	6,697	6,697
Pennsylvania Higher Education Assistance Agency-Law Unit Camp Hill, PA	0	0	0
Key Bank of Maine Augusta, ME	0	0	0

Table IV.5: Nebraska Student Loan Program

Lender	Kind of student		Totals
	Freshmen	Nonfreshmen	
Nebraska Higher Education Loan Program Lincoln, NE	$5,241,661	$302,154	$5,543,815
Bank of Horton Horton, KS	2,131,686	12,246	2,143,932
Union Bank & Trust Company Lincoln, NE	1,293,570	81,881	1,375,451
Packers Bank & Trust Omaha, NE	302,917	4,000	306,917
Farmers & Merchants Bank Colby, KS	226,949	0	226,949
Union Bank & Trust Company Denver, CO	49,116	22,738	71,854
Columbia Savings Association Lincoln, NE	61,397	0	61,397
Mid-Continent Federal Savings El Dorado, KS	21,095	2,500	23,595
Mid-America Higher Education Loan Program Longmont, CO	23,415	0	23,415
Boatmen's First National Bank Lawrence, KS	0	0	0

Table IV.6: Ohio Student Loan Commission

Lender	Kind of student		Totals
	Freshmen	Nonfreshmen	
Ameritrust Harrisburg, PA	$1,251,242	$164,486	$1,415,728
Bank One of Columbus Columbus, OH	419,986	353,063	773,049
Bank One of Cleveland Cleveland, OH	265,865	20,096	285,961
Chemical Bank Columbus, OH	103,615	7,797	111,412
Bank One of Akron Akron, OH	38,170	52,719	90,889
Huntington Bank Lawrence, KS	61,984	0	61,984
Bank One of Dayton Dayton, OH	40,149	14,265	54,414
Fifth Third Bank Cincinnati, OH	33,151	3,989	37,140
State Home Savings Bowling Green, OH	5,804	21,656	27,460
Bank One of Youngstown Youngstown, OH	2,282	3,745	6,027

Table IV.7: Pennsylvania Higher Education Assistance Agency

Lender	Kind of student		Totals
	Freshmen	Nonfreshmen	
Pennsylvania Higher Education Assistance Agency Higher Education Loan Program Harrisburg, PA	$918,246	$830,915	$1,749,161
PNC Education Loan Center Pittsburgh, PA	15,017	340,824	355,841
Philadelphia Savings Fund Society Philadelphia, PA	77,017	97,894	174,911
Fidelity Bank Upper Darby, PA	7,602	125,516	133,118
Commonwealth National Bank Pittsburgh, PA	8,000	48,203	56,203
Meridian Bank Reading, PA	5,000	14,120	19,120
Philadelphia National Bank Philadelphia, PA	1,793	5,794	7,587
Dauphin Deposit Bank and Trust Company Harrisburg, PA	0	3,333	3,333
Mellon Bank New Town, PA	0	0	0
Podiatry School Program Harrisburg, PA	0	0	0

Table IV.8: Texas Guaranteed Student Loan Corporation

Lender	Kind of student		Totals
	Freshmen	Nonfreshmen	
Southside State Bank Tyler, TX	$4,664,789	$303,030	$4,967,819
University Federal Savings Association Austin, TX	4,210,479	495,906	4,706,385
Windsor Savings Association Austin, TX	1,036,519	49,479	1,085,998
Bank One of Texas Fort Worth, TX	412,043	306,498	718,541
First Independent Trust Company Carmichael, CA	436,580	52,338	488,918
Bankers Credit Corporation Waco, TX	33,252	6,064	39,316
Texas Higher Education Coordinating Board Austin, TX	0	13,948	13,948
Village Savings Bank Houston, TX	0	4,000	4,000
Bank of Horton Horton, KS	0	0	0
El Paso Savings Association Austin, TX	0	0	0

Table IV.9: United Student Aid Funds

Lender	Kind of student		Totals
	Freshmen	Nonfreshmen	
Indiana National Bank Indianapolis, IN	$7,027,730	$3,422,746	$10,450,476
Chase Education Finance Center Tampa, FL	1,317,287	977,812	2,295,099
Merchants National Bank & Trust Co. Indianapolis, IN	1,153,984	557,559	1,711,543
Bank of Horton Horton, KS	1,392,475	136,940	1,529,415
Meritor-Philadelphia Savings Fund Society-Education Philadelphia, PA	1,342,674	145,400	1,488,074
Signet Bank of Maryland Baltimore, MD	841,453	276,263	1,117,716
Florida Federal Savings & Loan St. Petersburg, FL	417,926	343,910	761,836
Citibank Student Loan Center Rochester, NY	555,485	120,724	676,209
Mid-America Higher Education Loan Program Longmont, CO	389,999	155,128	545,127
Bank One-Merrillville Indianapolis, IN	35,040	86,874	121,914

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Related GAO Products

Supplemental Student Loans: Who Borrows and Who Defaults (GAO/HRD-90-33FS, Oct. 17, 1989).

Guaranteed Student Loans: Analysis of Student Default Rates at 7,800 Postsecondary Schools (GAO/HRD-89-63BR, July 5, 1989).

Defaulted Student Loans: Preliminary Analysis of Student Loan Borrowers and Defaulters (GAO/HRD-88-112BR, June 14, 1988).

GAO's Views on the Default Task Force's Recommendations for Reducing Default Costs in the Guaranteed Student Loan Program (GAO/T-HRD-88-7, Feb. 2, 1988).

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Guaranteed Student Loans: Analysis of Insurance Premiums Charged by Guaranty Agencies (GAO/HRD-88-16BR, Oct. 7, 1987).

Guaranteed Student Loans: Legislative and Regulatory Changes Needed to Reduce Default Costs (GAO/HRD-87-76, Sept. 30, 1987).

Defaulted Student Loans: Private Lender Collection Efforts Often Inadequate (GAO/HRD-87-48, Aug. 20, 1987).

Defaulted Student Loans: Guaranty Agencies' Collection Practices and Procedures (GAO/HRD-86-114BR, July 17, 1986).

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